




CITY COUNCIL

AGENDA REQUEST

AGENDA OF:	02-04-14	AGENDA REQUEST NO:	III-E
INITIATED BY:	LINDA DRAPP, ADMINISTRATIVE SPECIALIST	RESPONSIBLE DEPARTMENT:	CITY SECRETARY
PRESENTED BY:	GLENDA GUNDERMANN, CITY SECRETARY	DIRECTOR:	GLENDA GUNDERMANN, CITY SECRETARY 
		ADDITIONAL DIRECTOR (S):	N/A
SUBJECT / PROCEEDING:	MINUTES CITY COUNCIL MEETING JANUARY 21, 2014 APPROVE MINUTES		
EXHIBITS:	MINUTES JANUARY 21, 2014		
CLEARANCES		APPROVAL	
LEGAL:	N/A	ASSISTANT CITY MANAGER:	N/A
PURCHASING:	N/A	ASSISTANT CITY MANAGER:	N/A
BUDGET:	N/A	CITY MANAGER:	ALLEN BOGARD
BUDGET			
EXPENDITURE REQUIRED: \$		N/A	
CURRENT BUDGET: \$		N/A	
ADDITIONAL FUNDING: \$		N/A	
RECOMMENDED ACTION			
Approve the minutes of the January 21, 2014 City Council meeting.			
EXHIBITS			

STATE OF TEXAS §
COUNTY OF FORT BEND §
CITY OF SUGAR LAND §

**CITY OF SUGAR LAND
CITY COUNCIL REGULAR MEETING
TUESDAY, JANUARY 21, 2014**

REGULAR MEETING

The City Council of the City of Sugar Land convened in a regular meeting open to the public and pursuant to notice thereof duly given in accordance with Chapter 551, Government Code, Vernon's Texas Codes, Annotated, as amended, in Sugar Land City Hall within said City on Tuesday, January 21, 2014 at 5:30 o'clock P.M. and the roll was called of the members; to wit:

James A. Thompson, Mayor
Himesh Gandhi, Council Member at Large, Position One
Joe R. Zimmerman, Council Member at Large, Position Two
Steve R. Porter, Council Member District One
Bridget R. Yeung, Council Member District Two
Amy L. Mitchell, Council Member District Three
Harish Jajoo, Council Member District Four

QUORUM PRESENT

All of said members were present.

Also present were:
Allen Bogard, City Manager
Glenda Gundermann, City Secretary
Mary Ann Powell, City Attorney, and
A Number of Visitors

CONVENE MEETING

Mayor James Thompson convened the session, open to the public, to order at 5:41 o'clock P.M.

INVOCATION

Council Member Porter delivered the invocation.

PLEDGE OF ALLEGIANCE

Council Member Porter led the pledge of allegiance to the Flag of the United States of America.

RECOGNITIONS

EMERGING LEADER ACADEMY OF 2013

Mayor Thompson recognized the Emerging Leader Academy of 2013. Every year the City provides this mentoring program for City employees who apply and are selected from various departments. Each candidate has a mentor who meets with them and provides career counseling or insight into how to manage employees and projects, answers questions about how to advance in careers, how to run a staff meeting and build relationships with other managers and members of the community. Many of our staff have continued to move on and lead other cities and communities, taking the values of Sugar Land with them.

Ms. Lynette Montgomery, Human Resources Business Partner, stated the program consisted of various departmental meetings, strategic planning type information, and an array of information that participants had to attain and present in addition to their day to day responsibilities in their respective departments.

The following (9) employees completed the requirements of the program and are graduating from the Emerging Leader Academy of 2013:

Lary Dorrington – Information Technology
Bindu Hansen – Information Technology
Michelle Manukonda – Police
Stacey Smith – Permits & Inspections
Todd Zettlemoyer - Police

Samantha Foster – Parks & Recreation
Claudia Notestine – Public Works
Stephanie Russell – Economic Development
Kenneth Shavers – Permits & Inspections

On behalf of the Emerging Leader Academy of 2013, **Ms. Montgomery** recognized and thanked the mentors for their participation and valuable time spent on the program.

City Manager Bogard stated the ELA is a management development program for the best and brightest high potential individuals within the organization, and the City hopes to see the individuals continue to grow and move into leadership roles in the organization. **Mr. Bogard** recognized **Paula Kutchka, Director of Human Resources**, for implementing the ELA program.

PUBLIC COMMENT

Mayor Thompson introduced Public Comment and entertained registered speakers. There were no public comments.

Mayor Thompson recognized a special guest, **State Representative Rick Miller**, who was in the audience.

REVIEW OF CONSENT AGENDA

Mayor Thompson introduced Review of the Consent Agenda and entertained questions and/or comments.

CONSENT AGENDA

Mayor Thompson introduced III.A) **CITY OF SUGAR LAND RESOLUTION NO. 14-01**, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, ADOPTING RESPONSIBILITIES, GUIDELINES, CODE OF CONDUCT, AND PROTOCOLS FOR THE MAYOR, CITY COUNCIL, AND CITY MANAGER; AND ADOPTING RULES OF PROCEDURE FOR CITY COUNCIL MEETINGS; III.B) **CITY OF SUGAR LAND RESOLUTION NO. 14-03**, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, ADOPTING A CITY COUNCIL POLICY THAT ESTABLISHES PROCEDURES FOR HOSTING DISTRICT TOWN HALL MEETINGS; III.C) **CITY OF SUGAR LAND RESOLUTION NO. 14-04**, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, ADOPTING A CITY COUNCIL POLICY UPDATING THE CITY COUNCIL'S MID-TERM PRIORITIES AND STRATEGIES FOR THE CITY OF SUGAR LAND; III.D) Rejection of bids for U.S. 59 and State Highway Six In-Pavement Lighting System, CIP TR1402; III.E) Approval of Tax Increment Reinvestment Zone No. One Annual Report for Fiscal Year ending September 30, 2013; III.F) Approval of Tax Increment Reinvestment Zone No. Three Annual Report for Fiscal Year ending September 30, 2013; III.G) Approval of Tax Increment Reinvestment Zone No. Four Annual Report for Fiscal Year ending September 30, 2013; III.H) Bid evaluation and authorizing Purchase in the amount of \$140,645.00 from Classic Chevrolet for five Fleet Replacement Police Patrol Vehicles; III.I) Approving a one-year renewal of Contract in the amount of \$265,868.40 with Seril, Incorporated dba Houston Grotech Services for parks landscape maintenance services for period February 01, 2014 through January 31, 2015; III.J) Authorizing execution of Contract in the amount of \$272,000.00 with A&M Construction and Utilities, Incorporated, for rehabilitation of 1.0 MG Lakeview Ground Water Storage Tank, CIP WA1401; III.K) Approval of the minutes of the regular meeting of January 07, 2014.

Following a full and complete discussion, *Council Member Mitchell*, seconded by *Council Member Zimmerman*, made a motion to approve the Consent Agenda. The motion carried unanimously.

PROGRAM BUDGETS

SUGAR LAND WINE AND FOOD AFFAIR

Mayor Thompson introduced Sugar Land Wine and Food Affair 2013 Event Summary; and consideration on approval of the Sugar Land Wine and Food Affair 2014 Program Budget in the amount of \$110,000.00 from Tourism Funds.

Ms. Jessica Brown, Tourism and Marketing Manager, presented *Ms. Krystal Peay, Director of Sugar Land Wine and Food Affair*, who gave a brief overview of the Sugar Land Wine and Food Affair 2013. Ms. Peay stated she worked in conjunction with the Fort Bend Chamber of Commerce and the University of Houston on the event.

The Sugar Land Wine and Food Affair (SLWFA) is headquartered at the Marriott Sugar Land Town Square and is an initiative designed by the Fort Bend Chamber of Commerce to promote and increase recognition and visibility of Sugar Land and its amenities by hosting a festival to provide knowledge, enjoyment, and exposure to fine wines and foods.

PROGRAM BUDGETS (CONTINUED)

SUGAR LAND WINE AND FOOD AFFAIR (CONTINUED)

In 2013, the 10th Anniversary of Events was celebrated highlighting great chefs, fine wines, spirits, and craft beer, showcasing the cultural traditions that have been enhanced by the rich ethnic diversity of our region.

Since inception, the Sugar Land Wine and Food Affair has partnered with the University of Houston Conrad N. Hilton College. Students who are studying hotel and restaurant management have always served as part-time employees and volunteers for the events. In 2013, the partnership was expanded, as a 3-credit hour experiential learning class was created in which 7 elite students were chosen after an extensive interview process and were integral in the production of the 2013 event. For the 2014 event, the class has grown to 15 students; 4 of them are Kempner High School graduates. *Ms. Peay* will instruct the class at the Sugar Land Campus of the University of Houston.

In 2005, the Sugar Land Wine and Food Affair Scholarship Endowment was established. All proceeds from the grand tasting auction continue to benefit the fund and are matched dollar for dollar by the Hilton Foundation. In 2013, 8 students were awarded scholarships through the endowment, one of the largest the Hilton College has.

The Sugar Land Wine and Food Affair draws an upscale audience that mirrors the community. Over 95 percent of the participants, including the winery representatives, restaurants, chefs, and other vendors, are travelling from outside of Fort Bend County. Information regarding the attendees is able to be identified from an online ticket purchasing process. Over 99% of the tickets are purchased through the website which allows the organization to obtain address information for ticket purchasers. Over 70% of the ticket buyers for the 2013 Sugar Land Wine and Food Affair are from outside of Fort Bend County, representing many of the counties in Texas.

Excluding Fort Bend and Harris Counties, observations have shown that the following areas were the greatest source of visitors and will focus the 2014 marketing efforts on the areas:

- Jefferson County, specifically City of Beaumont
- Galveston County area
- Greater Austin Area
- Montgomery County
- Dallas Metroplex
- San Antonio

Through observations, it is estimated that the guests are an average of 40 years of age and from upscale income levels. The restaurants and wineries have said there has been an increase in the purchasers and visits as a result of participation in the event. Guests have come from coast to coast in the U.S. over the past 10 years. In analyzing the data, nearly 35 states have been represented, which is quite an impact.

PROGRAM BUDGETS (CONTINUED)

SUGAR LAND WINE AND FOOD AFFAIR (CONTINUED)

In 2013, the attendance reached a record 7800 people. The record amount of cross coverage contributed greatly to the increase in attendance. Visitors for the 2013 Sugar Land Wine and Food Affair filled the Sugar Land Marriott Hotel to capacity over the 5-day week, and people spent money with the restaurants, retail shopping, transportation expenses, nightclubs, and bars in and around the Sugar Land community, which is new money injected into the local economy with the sole purpose of attending the festival. The visitors go home with an impression of the community that is positive and memorable.

The festival spends dollars for rental of tents, tables, chairs, staging, signage, travel, transportation, venue rental, print materials, ice, staging bands, labor, audio visual, paper goods, web site development, advertising marketing, and numerous other items. A priority is given to direct the expenditures to local Chamber members.

The Sugar Land Wine and Food Affair has been a positive force in raising community awareness and has contributed to the City's quality of life. In 2013, the event received recognition from the American Marketing Association, Houston Chapter, with the Crystal Award for a newly redesigned website. First place honors were received from the Texas Chamber of Commerce Executives for Sugar Land Wine and Food Affair marketing campaign. Over \$750,000 in press coverage is generated for the Sugar Land Wine and Food Affair that highlights Sugar Land as a toast city.

2014 Budget and Marketing Plan:

Ms. Brown provided an overview of the Sugar Land Wine and Food Affair Agreement stating in 2012, the City re-did and approved the contract with the Fort Bend Chamber of Commerce; it is now an Evergreen contract between the City of Sugar Land and the Fort Bend Chamber of Commerce. Within the contract, the city reflected the change of the event name to the Sugar Land Wine and Food Affair and incorporated the terms from the 2005 and 2009 amendments into one contract. Approval of the 2014 Budget is required prior to funds being expended.

2014 Proposed Plan and Budget:

There are numerous advertising, public relations, and marketing opportunities: Dallas, Houston, Austin; lots of radio, print ads, and online ads to drive traffic to the Chamber of Commerce website and to the City website. In addition, there is an expanded public relations campaign, professional photography/videography, annual collectible poster, theme marketing and identity through annual painting that is created for the event every year.

Staff provided the proposed expenses for 2014 which totaled \$110,000, the same as has been done in previous years.

Staff recommendation is for approval of the proposed 2014 SLWAFA budget: the proposed budget meets the following HOT funding criteria: 1) Directly enhances and promotes tourism; 2) Meets two statutorily provided categories: paying for advertising, solicitations, and promotions that attract tourists; and expenditures that promote the arts.

PROGRAM BUDGETS (CONTINUED)

SUGAR LAND WINE AND FOOD AFFAIR (CONTINUED)

City Council discussion ensued regarding:

- The budget includes a lot of advertising focused in Dallas and not much promotion in San Antonio; **Ms. Peay** stated San Antonio was #6 on the list with Austin and Dallas appearing before when the analysis was done; the Public Relations company has created a strategic plan wherein publications that have an Austin, Dallas and Houston publication will bundle the package which provides a better financial deal for the ads. The SLWFA event falls on the same weekend as one in Austin; so Dallas, a larger metroplex, is pushed more.
- Number of hotel rooms that are utilized for visitors who attend the event; Staff stated the information will be tracked through website and will work more directly with the hotels. The Marriott sells out and has 300 rooms, the Hyatt Place is close to that number, and the Hilton Garden Inn is the next closest hotel. One reason for not having exact numbers is visitors do not indicate to the hotel a reason for their stay; but for those who do have established rates, it will be tracked in the future.
- Beaumont was targeted as the #1 focus for 2014 marketing efforts but where is Beaumont being approached; **Ms. Peay** stated part of the strategic plan for creating a nationwide event is to position ourselves at the same caliber events that are occurring in other similar communities; within the trade advertising, which is not shown in this presentation, wherein tickets are provided for different publications, there are many publications that do reach Beaumont and other areas not listed here. Direct mail campaigns are included that target people who have come in the past or have shown interest on the website, as well as email advertising.
- Recommended looking into the San Antonio market; and for an increase in attendance in 2014, what additional things will be done; **Ms. Peay** stated the number of events will be expanded prior to the event and during the event through different partnership sponsors, but not all are finalized at this time. Fifteen students will be recruiting more restaurants and wineries for 2014.
- Is there a goal to be reached for this event; **Ms. Peay** stated the 5-day format is standard and will probably keep that format; will look at expanding seminars to engage people; increase national sponsorship partners.

Following a full and complete discussion, **Council Member Zimmerman**, seconded by **Council Member Mitchell**, made a motion to approve the Sugar Land Wine and Food Affair 2014 Program Budget in the amount of \$110,000.00 from Tourism Funds. The motion carried unanimously.

SUGAR LAND HERITAGE FOUNDATION

Mayor Thompson introduced Sugar Land Heritage Foundation 2013 Update and 2014 Planned Activities; and consideration on 2014 Budget for Sugar Land Heritage Foundation.

Mr. Regina Morales, Director of Economic Development, provided background information for the Sugar Land Heritage Foundation, stating the Foundation was formed after the closing of the Imperial Sugar refinery in 2003 and purchase in 2006. The City of Sugar Land, Imperial Sugar and Cherokee Investments formed a partnership to ensure the artifacts and history of the site were preserved and a community-based heritage museum would be established to collect, preserve and exhibit these items.

PROGRAM BUDGETS (CONTINUED)

SUGAR LAND HERITAGE FOUNDATION (CONTINUED)

The Foundation was incorporated in March 2008 and an Executive Director was hired in December 2009. The Foundation is funded through the generous support of the City of Sugar Land, Johnson Development, Cherokee Investments, the Houston Endowment, the Kempner Fund, the George Foundation, the Flour Corporation, NALCO Champion (Ecolab Foundation), and numerous members of the local community.

Mr. Dennis Parmer, Executive Director, Sugar Land Heritage Foundation, stated the mission of the Foundation is to inspire community pride by collecting, preserving, communicating, and celebrating the history of Sugar Land, Texas.

2013 Achievements:

- Received repeat funding from the City of Sugar Land and the Kempner Fund
- Received first time funding from the George Foundation, Fluor Corporation, and NALCO Champion
- Decorated the Char House and 3 Bay Warehouses with reproductions of old photos of Sugar Land for the 2013 Sugar Land Wine and Food Sip & Stroll; over 3,000 attended the event.
- Turn Back the Clock Baseball Game at Constellation Field and raised over \$6,000
- Monthly historic district walking tours of old Sugar Land
- Permanent version of traveling exhibit in Fluor Cafeteria
- Opened exhibit gallery every Saturday in conjunction with the Farmers Market
- Completed Phase One of Design / Build Museum; part of Houston Endowment grant
- Held 4 workdays: at least 15 volunteers each time
- Hosted lecture series: Former Mayor Bill Little in February and Football Legend Ken Hall in October
- Cataloged 20,000+ items into collection; accessed another 1,800+ items to the next level in the accessioning process
- Offered History of Sugar Land class to FBISD and Civic Organizations, pilot program

2014 Work Plan:

- Continue Accessioning of Artifacts into our collection
- Engaged Jack Rouse Associates for Design / Build Museum, Phase 2
- Host Spring Fundraising Event (Lock In at Imperial)
- Host quarterly volunteer workdays and appreciation events
- Host at least two lecture series
- Turn Back the Clock Baseball Game at Constellation Field on June 13, 2014
- Offer History of Sugar Land class to FBISD and Civic Organizations
- Capital Campaign for Permanent Museum – Launch in 2014

PROGRAM BUDGETS (CONTINUED)

SUGAR LAND HERITAGE FOUNDATION (CONTINUED)

Mr. Parmer presented the Sugar Land Heritage Foundation 2014 Budget, stating the projected revenue is approximately \$341,000 and expenses are projected to be \$296,000. Surplus would be approximately \$45,000 and will move that down as a part of the operating reserve. Estimated operating reserve at end of 2014 is \$150,000; and from the 2012 Gala, there is \$67,000 set aside for the Capital Campaign and is a reserve account.

Status of Planning for Permanent Museum Facility

Mr. Martin Nicholas, President, stated the Foundation employed Jack Rouse & Associates last year to provide some temporary work on the museum and help develop a temporary story line for the overall experience, reviewed the style and possible museum locations, develop preliminary style and scope of the key exhibits, experiences and media.

Once the final location is determined for the permanent museum, Jack Rouse & Associates will be re-engaged to further develop the story line, concept, next level of schematics, guest flow, possible use of media, and develop a budget.

Board of Directors:

President, Martin Nicholas	Bob Brown
Vice President, Shay Shafie	Roy Cordes, Jr.
Treasurer, Regina Morales	Sharon Ehrenkranz
Secretary, Bettye Anhaiser	Carl Favre
Assistant Secretary, John Whitmore	Bruce Kelly
Executive Director, Dennis Parmer	Steve Porter
	Bill Schwer
	Don Smithers

Ms. Morales stated in 2009, City Council approved an Evergreen contract with the Sugar Land Heritage Foundation in the amount of \$75,000 to help and assist in funding a portion of the historic preservation activities. The activities in the budget proposed and presented to City Council meet the HOT funding criteria for historic preservation activities and the agreement consistent with the other agreement requires approval of the 2014 budget in order to expend funds with the Foundation.

City Council discussion ensued regarding:

- The thought process regarding the museum site; **Mr. Parmer** stated as part of the process, Jack Rouse & Associates looked at a number of facilities in the surrounding area and are currently looking at a couple of sites and performing the due-diligence. The City, developers, and the Foundation are attempting to narrow down a decision as soon as possible. **Ms. Morales** stated in the Redevelopment Agreement, the City, Cherokee, and GLO along with Johnson Development, addressed the future location of a museum. Currently, the agreement allows for a museum on either the first or second floor of the Char House or a mutually agreed upon location. There is continued dialogue with the goal of mutually agreeing on a location within the next 6 months.

PROGRAM BUDGETS (CONTINUED)

SUGAR LAND HERITAGE FOUNDATION (CONTINUED)

- The Christmas ornaments; *Mr. Parmer* stated each year for the past 3 years, the Foundation has put out an ornament that represents a historical building or item in Sugar Land. The 2013 ornament was the 1927 train depot that is now the Chamber of Commerce office building, the 2012 ornament was the Sugar Land Auditorium, and the 2011 Christmas ornament was the Char House.
- Did the Foundation hit the target in the first 5-year Strategic Plan; *Mr. Parmer* stated he had hoped the Foundation would be farther along on the building of a museum, but considering factors outside of any organization that take place, such as the market driven, the Foundation is positioned to do well in a good site and there is a win/win situation out there for us.
- Is there another gala planned for 2014; *Mr. Parmer* stated a gala is being looked at as a fall event, but down the road one has to begin looking at two things: funding your current years and preparing for the future years' expenditures.

Mayor Thompson stated the education needs to be a huge component of the organization; the reach-out that will be done now and in the future will be the key to success, and the Mayor stated he would like to see this more refined so the information could be put on Channel 16 for the community at large, which would be a tremendous opportunity.

Following a full and complete discussion, *Council Member Yeung*, seconded by *Council Member Mitchell*, made a motion to approve 2014 Budget for Sugar Land Heritage Foundation. The motion carried unanimously.

CONTRACTS AND AGREEMENTS

INTERLOCAL AGREEMENT FOR COUNTY PARTICIPATION

Mayor Thompson introduced consideration on authorizing execution of an Interlocal Agreement by and among the City of Sugar Land, Texas, Fort Bend County, and Reinvestment Zone Number Four for County participation in the Reinvestment Zone.

Ms. Stacie Henderson, Community Development Administrator, stated there are two agreements being presented for City Council consideration. The agreements will secure both Fort Bend County and Fort Bend County Drainage District participation in Tax Increment Reinvestment Zone Number Four. The presentation will focus on the stated and the following action item for the two agencies.

Ms. Henderson presented a brief overview stating TIRZ No. 4 was created under Ordinance No. 1768 in December 2009 and consists of approximately 698 acres. Subsequently, Ordinance No. 1807 modified the creation ordinance to correct the TIRZ boundaries and to add four additional Board positions. Staff presented a map of the boundaries of TIRZ No. 4 focused closely to the intersection of Highway 59 and University Boulevard.

CONTRACTS AND AGREEMENTS (CONTINUED)

INTERLOCAL AGREEMENT FOR COUNTY PARTICIPATION (CONTINUED)

The two Interlocal Agreements one among the City, the Zone, and Fort Bend County; and the second being among the City, the Zone, and Fort Bend County Drainage District. Both agreements were approved on December 3, 2013 by Fort Bend County Commissioners' Court.

Agreement Obligations: The obligations under both agreements are the same. The Tax Increment participation will be 50% from 2014 to 2029; 30% from 2030 to 2034; and 20% from 2035 to 2039, less any abated taxes for that year.

The base value is established at \$72,152,791, which is the taxable value of the property on January 1, 2013. The payments will begin on March 1, 2015 for the 2014 tax year and will be due annually on March 1st and August 1st.

Participation by the County and the Drainage District will be limited to the Zone area as of the agreement date unless approved by the County/Drainage District. Both the County and the Drainage District will have the right to appoint a member to the Zone's Board of Directors.

City and Zone Obligations: The Tax Increment Participation will be utilized for project costs defined in the Project Plan and may not be used for project costs in an amended Project Plan without a super majority vote of the Zone's Board of Directors. Any County funds remaining after the Zone termination and debt payment will be refunded.

Term of Agreements: The agreements will begin on the latest date of the parties' execution and end on the earliest of December 31, 2039, which will be the termination of the Zone; an earlier time designated by Ordinance; or when project costs, bonds, and interest would be paid in full.

Fort Bend County Commissioners' Court approved the Agreements on December 3. The TIRZ No. 4 Board of Directors approved the Agreements on January 9, 2014.

Staff recommends approval of the Agreements.

Following a full and complete discussion, ***Council Member Zimmerman***, seconded by ***Council Member Jajoo***, made a motion to approve an Interlocal Agreement by and among the City of Sugar Land, Texas, Fort Bend County, and Reinvestment Zone Number Four for County participation in the Reinvestment Zone. The motion carried unanimously.

INTERLOCAL AGREEMENT FOR COUNTY DRAINAGE DISTRICT PARTICIPATION

Mayor Thompson introduced consideration on authorizing execution of an Interlocal Agreement by and among the City of Sugar Land, Texas, Fort Bend County Drainage District, and Reinvestment Zone Number Four for County Drainage District participation in the Reinvestment Zone.

CONTRACTS AND AGREEMENTS (CONTINUED)

**INTERLOCAL AGREEMENT FOR COUNTY DRAINAGE DISTRICT PARTICIPATION
(CONTINUED)**

Ms. Stacie Henderson, Community Development Administrator, stated there are no further comments.

Following a full and complete discussion, *Council Member Yeung*, seconded by *Council Member Porter*, made a motion to approve an Interlocal Agreement by and among the City of Sugar Land, Texas, Fort Bend County Drainage District, and Reinvestment Zone Number Four for County Drainage District participation in the Reinvestment Zone. The motion carried unanimously.

PURCHASE OF TWO VIDEO MESSAGE BOARDS - BALLPARK MARQUEE PROJECT

Mayor Thompson introduced consideration on authorizing Purchase of two Video Message Boards from Daktronics in the amount of \$185,321.00; authorizing budget reallocation in the amount of \$150,000.00 from Baseball Stadium Project, CIP MU1104 to Ballpark Marquee Project, CIP MU1405; and authorizing a budget amendment in the amount of \$400,000.00 from Sugar Land 4B Corporation Fund Balance to Ballpark Marquee Project, CIP MU1405.

Ms. Keisha Seals, Engineer III, stated in 2009, staff identified the need to better communicate important messages to the residents and tourists as well as ensure the success of the City destination and attraction venues. In 2011, staff received approval to add the destination signage to the Fiscal Year 2012 Policy Initiative. In 2012, City Council provided direction to fund the project in Fiscal Year 2013; during the Mid-Year Retreat, City Council was able to review the schematics or preliminary drawings for the destination signage and the community signs at that time, and provide feedback for incorporation into the signs.

In 2013, staff hired Kimley-Horn to perform the design, preliminary estimates, and construction costs for the project.

There was a need for governmental and community signage to communicate emergency messages, City events, non-profit community events; and the destination signs would communicate major tourism attractions and City events.

Staff presented a location map to identify the ballpark sign location; to the south of the proposed sign location is Highway 90-A, to the north would be the Imperial Boulevard entry, and to the west would be the Sugar Land Airport. The sign is located approximately north of the overflow parking lot or Parking Lot B.

Dimensions of the Sign: 41 feet tall, (the entryway Monument Tower, or the Floating Crown, is approximately 44 feet tall). Staff discussed the sign with ODP and Johnson Development to allow them the opportunity to provide input for the sign. Staff received concurrence from ODP and Johnson Development with respect to the façade of the sign, its height and location; all of the stakeholders are onboard with location and look of the sign.

CONTRACTS AND AGREEMENTS (CONTINUED)

**PURCHASE OF TWO VIDEO MESSAGE BOARDS - BALLPARK MARQUEE PROJECT
(CONTINUED)**

Orientation of the Sign: It will be 2 signs together on 3 columns; one particular sign but 2 message board signs. Northbound and southbound traffic will both have its own sign; each direction of traffic will be able to see the same message occurring at the same time.

Ballpark Sign Purchase:

- Manufactured by Daktronics, Incorporated
- Purchased through Texas Cooperative Purchasing Network (TCPN Contract #R5195)
- Discounted Price 15%
- Lead time (8-10 weeks)

Sign Capabilities:

- Functionality
 - 2 LED video message boards
 - Displays pre-canned videos
 - Messaging (policy driven)
 - Automatic light dimming
 - Weather resistant
 - Secured communications

Budget:

- Cost: 2 signs total cost is \$185,321.00; estimated construction cost is \$364,679.00
- Budget:
 - \$150,000 in Baseball Stadium Project (MU1104)
 - Budget amendment of \$400,000 to Ballpark Marquee Project (MU1405) from SL4B

Schedule:

- Construction Schedule
 - Advertise for bids January 29th and February 5th
 - Bid date February 13th
 - Award date March 4th
 - Completion Opening Day of Baseball Stadium, April 24th

CONTRACTS AND AGREEMENTS (CONTINUED)

PURCHASE OF TWO VIDEO MESSAGE BOARDS - BALLPARK MARQUEE PROJECT
(CONTINUED)

City Council discussion ensued regarding:

- The sign promotion gives City and ODP (Opening Day Partners) the opportunity to promote certain activities and the City will have it for safety events and other cross-promotional events with ACE and the Performing Arts Center; Staff stated that is correct and stated **Regina Morales, Economic Development Director**, is working through the policy so the cross-communication will be written into the policy.
- Location of the sign; Staff stated Johnson Development has been contacted in respect to any utilities that may be in the area or forthcoming, and nothing will be impacted.
- Policy will include use by non-profits; Staff stated the community signs will have use for non-profit community events. **Ms. Morales** stated there will be two different policies, one addressing the community signs for City events, non-profits, and emergency messaging, and a different policy for the entertainment venue marquees which will be cross-promotional between the two venues for promoting the City-sponsored events at the two venues and emergency messaging also. There currently is no plan to have non-profits on the entertainment venue marquees.

Ms. Morales stated there are currently two entertainment venue marquees planned, one at the Ballpark and one at the Performing Arts Center. Staff stated it was determined that the community signage, although separate from the Ballpark sign, was needed. The community signs are smaller signs and will be shown to City Council in February/March. **Ms. Morales** stated both of the policies will be discussed at a workshop with City Council and staff will be soliciting Council input.

- Warranty on the signage; Staff stated a 5-year warranty comes with the purchase of the sign for the parts, and the warranty could be extended after the 5-years if requested or the City could provide maintenance of the signs. The city will be getting the 5-year warranty for both video message boards with purchase of the signs.

Mayor Thompson stated this was a contractual obligation when the Ballpark project was started, that there would be a community sign for the entertainment events in the City and those are being tied together particularly for the Ballpark but also for community messaging from the City since it is a City-owned board. City is working with ODP and ACE to prepare a policy on the content, percentage, and so forth. At that time, other issues that Council Members brought up can be addressed.

Following a full and complete discussion, **Council Member Porter**, seconded by **Council Member Yeung**, made a motion to approve Purchase of two Video Message Boards from Daktronics in the amount of \$185,321.00; authorizing budget reallocation in the amount of \$150,000.00 from Baseball Stadium Project, CIP MU1104 to Ballpark Marquee Project, CIP MU1405; and authorizing a budget amendment in the amount of \$400,000.00 from Sugar Land 4B Corporation Fund Balance to Ballpark Marquee Project, CIP MU1405. The motion carried unanimously.

PUBLIC HEARING

TEXAS ENTERPRISE ZONE PROGRAM PARTICIPATION

Mayor Thompson convened the Public Hearing to receive and hear all persons desiring to be heard on participation in the Texas Enterprise Zone Program and nominating Noble Drilling Services, Incorporated, as an Enterprise Project.

Ms. Stephanie Russell, Business Retention Manager, stated the Texas Enterprise Zone Program is an economic development tool for local communities to partner with the State to promote job creation and capital investment by utilizing a State incentive that is funded through the rebate of State sales tax and is based on job creation and capital investment. The jobs have a unique criterion in that they must meet economically disadvantaged criteria or come from an enterprise zone.

Texas Enterprise Zone is a census tract with 20% or more below the poverty rate, a distressed county, a federally designated zone, or a renewal community. As of December 2012, the State has awarded 872 projects in which 332,175 jobs were new and retained, with \$58 billion in capital investment. A project may be located outside a zone area if a company commits at least 35% of its new employees will meet economically disadvantaged or enterprise zone residency requirements. Sugar Land does not have an enterprise zone in its jurisdiction.

In order to apply for the Program, a local community must nominate a project via ordinance. Municipalities with a population less than 250,000 are allocated 6 enterprise project designations every two years. The last City nomination was in 2010 for Fluor Enterprises, but was not awarded.

To nominate a project for the Program, the City Council must pass an ordinance nominating the company as an Enterprise Project. The application is submitted to the office of the Governor's Economic Development and Tourism by the first working day of March. If awarded, the City must submit reports annually.

Noble Drilling is planning a capital investment of \$5.2 million to renovate their existing lease space at Granite Towers for furniture, fixtures, and IT equipment. The 5-year plan started in October 2013 and will end in 2019. Approximately 468 employees will be retained.

Projects awarded under the program are funded through a refund on State sales and use tax; there is no impact to the City of Sugar Land budgets. The State portion of the sales and use tax may be claimed but not the local portion unless that incentive is offered in the local area.

In preparation for the Public Hearing, a notice was published in a newspaper of general circulation and on the City website. No inquiries or known opposition have been received at this time.

Next steps include hold a public hearing, 1st Reading of Ordinance No. 1945, with 2nd Reading and approval on February 4, 2014.

PUBLIC HEARING (CONTINUED)

TEXAS ENTERPRISE ZONE PROGRAM PARTICIPATION (CONTINUED)

Mayor Thompson entertained comments from the public; hearing none, the Public Hearing was closed.

ORDINANCE NO. 1945 – TEXAS ENTERPRISE ZONE PROGRAM

Mayor Thompson introduced **FIRST CONSIDERATION: CITY OF SUGAR LAND ORDINANCE NO. 1945**, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AUTHORIZING THE CITY'S PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE (ACT), PROVIDING TAX INCENTIVES, DESIGNATING A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES, AND NOMINATING NOBLE DRILLING SERVICES, INCORPORATED, TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT AND TOURISM THROUGH THE ECONOMIC DEVELOPMENT BANK AS AN ENTERPRISE PROJECT.

Ms. Stephanie Russell, Business Retention Manager, stated there were no further comments.

Council Member asked how does it qualify; Staff stated Noble Drilling Services has to meet the economically disadvantaged portion; some examples include the individual has to be unemployed for a certain number of months, or veterans, or has disabilities, and there are several criteria. As long as 35% of the new employees are hired from that pool, they can qualify. The goal is hiring people who would qualify.

Following a full and complete discussion, *Council Member Yeung*, seconded by *Council Member Gandhi*, made a motion to pass to second reading **CITY OF SUGAR LAND ORDINANCE NO. 1945**, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AUTHORIZING THE CITY'S PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE (ACT), PROVIDING TAX INCENTIVES, DESIGNATING A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES, AND NOMINATING NOBLE DRILLING SERVICES, INCORPORATED, TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT AND TOURISM THROUGH THE ECONOMIC DEVELOPMENT BANK AS AN ENTERPRISE PROJECT. The motion carried unanimously.

ORDINANCES AND RESOLUTIONS

RESOLUTION NO. 14-02 – FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 21

Mayor Thompson introduced **CITY OF SUGAR LAND RESOLUTION NO. 14-02**, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, ADOPTING A DISSOLUTION PLAN FOR FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 21.

ORDINANCES AND RESOLUTIONS (CONTINUED)

RESOLUTION NO. 14-02 – FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 21

Ms. Jennifer Brown, Director of Finance, presented background information stating Fort Bend MUD No. 21 was created in 1977 and is located in the corporate city limits of the City of Sugar Land. The District encompasses approximately 1,040 acres located in the Sugar Land Business Park. All properties in the District are commercial properties; there are no residential properties in the District. At this time the District is considered fully developed; the entire infrastructure is in place to serve the properties in the District.

Staff provided an overall map of the District. The district is bordered by Dairy Ashford on the east, Eldridge Road on the west, and on the north end there are some properties that lie just north of West Airport Road. The south end is all north of U.S. 90A with the exception of some of the properties closest to 90A. There is a U-cutout and some properties not included; those areas are primarily between Gillingham Lane and Industrial Boulevard. Schlumberger is not within the District.

The area is an in-city district and the City has a Utility Agreement with the District that dates back to 1977 when the District was created. The Agreement states that the City is the utility provider for customers within the District. The District built the infrastructure and conveyed it to the City. The City does all of the billing, collections, reading, and servicing of the lines.

The District acts as a financing mechanism and levies property tax to pay debt and minimal operating costs. The City provides a rebate of city property taxes collected within the District. The rebate is capped at the lesser of: 50% of City property taxes collected or the annual debt service payments of the District.

Staff provided a chart comparing the District debt service to the City estimated tax rebate. Beginning in 2015, the debt service payments will cap the amount that the City would rebate to the District, as the debt service payments drop from approximately \$1.5 million to under \$800,000 per year. At this point, the City would be covering the District debt service.

Dissolution Timeline:

Staff began discussions in October 2013 with City Council on considering dissolution of the District and how the property owners would benefit from early dissolution of the MUD. Staff received concurrence from City Council that this was the right course of action, and staff began developing a Dissolution Plan:

- November – Dissolution Plan (DP) reviewed with Finance/Audit Committee and MUD board
- December – MUD board approved DP

The resolution is not an official action toward dissolution; it is agreeing to the terms basically that staff has worked out with the District. The Dissolution Ordinance will come to City Council in February 2014. The recommended Dissolution Date is March 31, 2014 which works out being the fiscal year end for the District. At that point, all of the liabilities will become the City liabilities.

ORDINANCES AND RESOLUTIONS (CONTINUED)

**RESOLUTION NO. 14-02 – FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 21
(CONTINUED)**

Dissolution Plan:

- District did not levy a tax for 2013
- City to rebate on 2013 taxes by February 15; 50% of City taxes paid prior to February 1
- District to pay March 1 debt service payment with funds that City rebates and existing fund balances since a tax was not levied for this year
- City assumes O/S debt at March 31
- District requested that any funds remaining after Dissolution and District obligations
 - Future Debt Service payments
 - Or Street Reconstruction Projects within the District; 3 streets were identified

Mayor Thompson asked staff what the fund balance or reserves will be after the debt service payment; staff stated at the end of Fiscal Year 2013, the District had approximately \$5 million in the General Fund Balance; it is estimated that the District will have multiple millions of dollars that City will be able to dedicate to either debt service or to projects within the District. Staff will provide the amount at the next meeting. *Mayor Thompson* recommended the funds stay within the area of the District, and used for CIP projects that could be moved up due to the fund balance. Staff affirmed stating project consideration is being coordinated with Engineering and the Board of Directors to identify projects.

Mr. Chris Steubing, City Engineer, stated there are three projects on the City street network system. One of the projects is Dairy Ashford which has been on the list; one is a section of West Airport, mainly the eastbound direction as the westbound direction is in good shape. In this area, including Julie Rivers, there is much more truck traffic on all of these roads compared to any other roads in the City. It may be a few years out, but Dairy Ashford and West Airport are top two projects that Engineering is planning to move forward. *Mr. Steubing* will provide the information on evaluations in terms of the priority list.

Staff stated the Board of Directors of MUD No. 21 has been invited to attend and be recognized at the City Council meeting on February 4.

City Manager Bogard stated this information and other financial decision-making will be brought to City Council during the Spring Retreat for discussion on how to allocate dollars and priorities on streets, and other items. The aforementioned funds are also available to be used to help with debt service payments which will free up funds to be utilized in other places. *Mr. Bogard* highlighted that every property owner within the District will receive a tax cut this year and asked staff what the tax rate was, staff responded \$0.18 last year, and two notices regarding the tax cut were received on January 14 and 21st; all of the other property owners are probably receiving the notices at this time.

Following a full and complete discussion, *Council Member Porter*, seconded by *Council Member Yeung*, made a motion to approve CITY OF SUGAR LAND RESOLUTION NO. 14-02, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, ADOPTING A DISSOLUTION PLAN FOR FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 21. The motion carried unanimously.

ORDINANCE NO. 1946 – FIRE PROTECTION SERVICES FEE

Mayor Thompson introduced **FIRST CONSIDERATION: CITY OF SUGAR LAND ORDINANCE NO. 1946**, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AMENDING CHAPTER 5, ARTICLE IX, DIVISION 1, SECTION 5-375(b) OF THE CODE OF ORDINANCES BY AMENDING THE FIRE PROTECTION SERVICES FEE FOR DISTRICTS IN THE CITY EXTRATERRITORIAL JURISDICTION.

Ms. Jennifer Brown, Director of Finance, presented background information stating the City provides fire service to the New Territory neighborhoods through a Strategic Partnership Agreement (SPA) between the City and the five Municipal Utility Districts that make up the development. The SPA was approved by the City and the Districts in 2007. The SPA defines the formula for full cost of fire service calculation which City uses to calculate the cost of providing fire service for all connections within the City and the ETJ. Staff implemented the calculation for the fire fees starting with the opening of Fire Station #7 for which the Districts contributed to the construction, and the station opened in October 2011. The Districts began paying the full cost of fire service at that time.

Full Cost of Fire Service:

- Applies to the following districts in:
 - New Territory (MUD 67, 68, 69, 111, 112)
 - Riverstone (MUD 128)
- Does not apply to districts in:
 - Greatwood (MUD 106, 108, 109, 117)
 - Tara (Plantation MUD)
- Districts negotiated a Fire Protection Agreement for construction of Fire Station #6
 - Agreement sets a rate that expires in 2016

Review of Calculations:

- Staff has had communication with MUD No. 68 regarding methodology used to calculate the full cost of service
- In October, City hired Whitley Penn to review calculations and confirmed the calculations with minor adjustments
- City shared the report with New Territory MUDs

Administrative Allocation:

- As part of the calculations, staff determined that the 2013 and 2014 calculations contained a duplication of the fire administrative cost
 - Included in direct costs and
 - Overhead allocation
- To avoid duplication, staff recommends amending the 2014 fee to \$16.35 which excludes the duplication and recommends providing a credit to the Districts for the fees that were paid for 2013 which contained the duplication.

Discussions were held with the Finance/Audit Committee and the Intergovernmental Relations Committee. Both committees recommended coming forward with ordinance amending the 2014 fee to the recalculated amount of \$16.35.

ORDINANCES AND RESOLUTIONS (CONTINUED)

ORDINANCE NO. 1946 – FIRE PROTECTION SERVICES FEE (CONTINUED)

Staff returned to Finance/Audit Committee at the January meeting and provided the estimate of the credits due for the 2013 administrative duplication, and the Finance Committee recommended providing credits back to the Districts for that year as well. There is no ordinance to change as the fee has already been amended for 2014. The credits total just over \$42,000 for the differences that Whitley Penn identified and the credits for the administrative overhead duplication. The Intergovernmental Relations Committee reviewed this issue and agreed it was the right decision.

Following a full and complete discussion, *Council Member Mitchell*, seconded by *Council Member Jajoo*, made a motion to pass to second reading **CITY OF SUGAR LAND ORDINANCE NO. 1946**, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AMENDING CHAPTER 5, ARTICLE IX, DIVISION 1, SECTION 5-375(b) OF THE CODE OF ORDINANCES BY AMENDING THE FIRE PROTECTION SERVICES FEE FOR DISTRICTS IN THE CITY EXTRATERRITORIAL JURISDICTION. The motion carried unanimously.

CITY COUNCIL CITY MANAGER REPORTS

CITY COUNCIL REPORTS

Mayor Thompson introduced Community Events Attended or Scheduled.

Council Member Gandhi reported attending the Compensation Committee meeting, Sugar Land 101 Opening Session, spoke at the Comcast/Infinity Grand Opening, and attended the H-GAC Board of Directors meeting.

Council Member Porter reported he attended the Infinity Grand Opening, the first Land Use Forum and Breakout Sessions, Sugar Land Cultural Arts Foundation Ball where the Mayor spoke, and plans to attend the Houston Builders Association Forecast Luncheon.

Council Member Jajoo reported attending the Opening of the Surface Water Plant on January 9, Finance/Audit Committee meeting, the TIRZ No. Four meeting, and Land Use Forum.

Council Member Zimmerman reported he attended the Charter Commission meeting, the Surface Water Treatment Plant opening, Land Use Forum, and Sugar Land 101 session.

Council Member Mitchell reported attending the Surface Water Treatment Plant opening, Charter Commission meeting, presented state and national pledges for the Lincoln Reagan Dinner, and the Planning and Zoning Meeting on January 14.

Council Member Yeung reported attending many of the above events and the CREW Luncheon with Ms. Morales on the Panama Canal expansion, New Territory HOA meeting, and the Sugar Land Cultural Arts Foundation Ball.

CITY MANAGER REPORT

City Manager Bogard reported that he and the Mayor will be speaking at the State of the City on Friday, January 24.

RECESS MEETING

Mayor Thompson recessed the Regular Meeting to go into Closed Executive Session, time 7:13 o'clock P.M.

CLOSED EXECUTIVE SESSION

Mayor Thompson introduced Closed Executive Session as authorized by Chapter 551, Texas Government Code, in accordance with:

Public Officers and Personnel Matters: Section 551.074

- a) For the purpose of discussion with respect to Municipal Court Judge performance appraisal and compensation package. *Ms. Paula Kutchka, Director of Human Resources.*

ADJOURN CLOSED EXECUTIVE SESSION

Mayor Thompson adjourned the Closed Executive Session, time 7:50 o'clock P.M.

RECONVENE MEETING

Mayor Thompson reconvened the Regular Meeting, time 7:51 o'clock P.M.

MUNICIPAL COURT JUDGE

Mayor Thompson introduced consideration on appointment of Mr. Craig Landin as Judge of Sugar Land Municipal Court for two-year term, October 01, 2013 through September 30, 2015, and annual compensation for period January 01, 2014 through December 31, 2014. *Mayor James A. Thompson.*

Following a full and complete discussion, *Council Member Gandhi*, seconded by *Council Member Yeung*, made a motion to approve appointment of Mr. Craig Landin as Judge of Sugar Land Municipal Court for two-year term, October 01, 2013 through September 30, 2015, and annual compensation for period January 01, 2014 through December 31, 2014. The motion carried unanimously.

ADJOURN

There, being no further business to come before Council, *Council Member Zimmerman*, seconded by *Council Member Jajoo*, moved that the meeting adjourn. The motion carried unanimously and the meeting adjourned, time at 7:55 o'clock P.M.

Glenda Gundermann, City Secretary

(SEAL)